
IOWA UTILITIES BOARD
Energy Section

Docket No.: EAC-2011-0025
Utility: Interstate Power and Light
Company (IPL)
File Date: November 13, 2012
Memo Date: December 4, 2012

TO: The Board

FROM: Jim Kellenberg

SUBJECT: IPL Regional Transmission Rider – Twentieth Transmission Information Report

I. Background/Analysis

On November 13, 2012, Interstate Power and Light Company (IPL) filed its twentieth monthly Transmission Information Report (report). The Board's January 10, 2011 Final Decision and Order, under Docket No. RPU-2010-0001, required IPL to file monthly information if it implemented automatic recovery of transmission costs through a Regional Transmission Service Rider (Rider). The Rider was designed to recover transmission costs billed by MISO and other transmission-related costs. The Board order required that the transmission cost information details should be similar to the information that IPL currently files for the energy adjustment clause (EAC) approvals. IPL made an errata filing on November 16, 2012, to submit two revised pages to its filing of November 13, 2012.

IPL's Rider became effective with customer billings on February 25, 2011. The first report covered the first full month that the Rider was in effect, March 2011, plus the three days in February 2011, when final rates went into effect. Succeeding monthly reports have covered the intervening months. The twentieth report covers the month of October 2012.

The bulk of the transmission charges in the report are from MISO¹ although a small amount of charges are from Non-MISO sources such as CIPCO. The MISO charges are broken down by MISO rate schedules. The Non-MISO charges are supported by invoices from the transmission provider.

The revenues are broken down by rate code for each class of customers. Each customer class has a cost recovery factor that is applicable for it. The cost

¹ ITC Midwest charges are based on FERC-approved MISO Tariff Schedules.

recovery factors effective prior to June 1, 2012, were approved under Docket No. TF-2011-0010.

The report for the month of November 2011, the ninth monthly transmission report, reflected the start of the new reconciliation period for transmission expenses and Rider revenues. IPL made its first annual reconciliation filing for the Rider on November 18, 2011, in Docket Nos. EAC-2011-0007 (TF-2011-0129). The first annual reconciliation filing reconciled the transmission expenses and corresponding Rider revenues from the implementation date of the Rider through the month of October 2011. The cumulative Rider balance in the reconciliation filing is included in the calculation of the 2012 Rider factors.

On April 10, 2012, the Board issued an Order Regarding CIPCO True-up Costs in Docket Nos. EAC-2011-0007 (TF-2011-0129). In that order, IPL was ordered to file new transmission rider cost recovery factors for 2012 consistent with the order. On April 20, 2012, IPL filed new cost recovery factors for 2012 with a proposed effective date of June 1, 2012. The Board issued an order on May 23, 2012, approving the new cost recovery factors with an effective date of June 1, 2012. IPL implemented the new cost recovery factors effective June 1, 2012.

Starting with the transmission rider reports for the month of February 2012, the monthly transmission reports have included a new charge termed "Schedule 26-A" related to Multi-Value Project (MVP) Cost Recovery associated with the MISO Transmission Expansion Plan (MTEP). This charge is a volumetric charge associated for each specific approved project.

IPL has included a MISO Supporting Detail worksheet showing the MVP approved project name and the calculation of the MVP charge with each monthly filing since February 2012. In the report for the month of October 2012, the total charge to IPL for the ten projects listed is \$38,445.51, which is for the billing month of September 2012 plus several small true-up charges for previous months.

Staff notes that Multi-Value Projects are transmission projects approved by the MISO Board as part of the MTEP process. The cost allocation methodology for MVPs has been approved by FERC. Staff also points out that MISO Schedule 26, Network Upgrade Charge from Transmission Expansion Plan, is one of the types of transmission costs that the Board approved to flow through the transmission rider in Docket No. RPU-2010-0001.

In the twentieth monthly transmission report, the report shows net transmission expenses for Iowa for the month of October 2012 of \$16,273,696. Iowa retail revenues for the same time period were \$17,265,901, resulting in an over-recovery of \$992,205 for the month of October 2012. After taking into account the under-collection balance of \$8,210,540 from the September 2012 report, the total under-recovery of transmission expenses is now \$7,218,335 for the new reconciliation period.

Staff believes that the information in IPL's report that was filed on November 13, 2012, supplemented by its November 16, 2012, errata filing, is similar to the information in its monthly EAC filing (as required by the Board's order in Docket No. RPU-2010-0001), in that it includes monthly revenues, expenses and the amount of the over- or under-recovery. Since each monthly report lists the year-to-date over/under recovery, the Board is kept informed of the tracker balance. Staff believes that IPL has met the provisions as specified in the Board's Order of January 10, 2011 and recommends that the Board approve the report.

II. Recommendation

Approve IPL's Transmission Information Report for October 2012 in Docket No. EAC-2011-0025, by letter signed by the Energy Section Manager, subject to complaint or investigation.

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